

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (10/12):
BUTTER: Grade AA closed at \$1.4500. The weekly average for Grade AA is \$1.4833 (-.1634).

CHEESE: Barrels closed at \$1.2425 and blocks at \$1.2700. The weekly average for barrels is \$1.3435 (-.2420) and blocks, \$1.3690 (-.2430).

NONFAT DRY MILK: Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

BUTTER: The butter market is weak, but the CME price did stabilize somewhat. Producers and handlers have mixed opinions on where prices should be. Some would like to see continued weakness, while others desire firmer prices. Cream offerings are heavy and butter makers are "in the driver's seat" when it come to price negotiations. Stocks of butter range from fully adequate to ample. Scattered reports indicate that demand from the retail sector is expected to improve as more fall orders are being placed. With prices in such a sharp decline in recent weeks, buyers were in a wait and see posture until prices leveled off.

CHEESE: The cheese market is weak as cash prices declined further this week. Producers are hoping prices will soon stabilize and buyers return to more traditional fall cheese purchase and use patterns. Food service demand has been the most impacted, particularly in the airline and better restaurant segments. Fast food and retail business has been less affected. Cheese plants were generally operating on heavier schedules due to increased manufacturing milk availability in many areas. Cheese yields are also increasing seasonally with higher fat and protein tests on incoming milk.

FLUID MILK: Overall fluid demand was steady to lighter. Milk production is higher in the Northeast. Manufacturing schedules are heavier. In the Midwest, milk intakes are irregular, generally steady to lower. Manufacturing schedules are heavier as out of area shipments eased. Demand for spot manufacturing milk is lighter due to increased availability and weaker product prices. In New Mexico, milk receipts are steady. Plant receipts are usually higher in California as weather conditions improved. Manufacturing schedules as a result were heavier due to additional supplies. In the Pacific Northwest, hay quality is declining and impacting milk output per cow

despite efforts to rebalance feed rations. Output is steady to lower in parts of Utah and Idaho. Through most of the country, fat and protein levels in the milk are recovering seasonally, increasing product yields. Cream interest remains soft as buyers wait for butter prices to stabilize and ice cream use wanes seasonally. Cream cheese production is building seasonally.

DRY PRODUCTS: The NDM market is fairly steady, though surplus clearances to CCC from Western producers resumed. Drying schedules are heavier due to increased milk supplies. Demand for NDM is fair and supplies are available, at least in the West. The buttermilk market is unsettled. Drying schedules are heavier due to increased churning. However, some buyers continue to wait for delivery on orders made previously. Some buttermilk customers are anticipating that prices may weaken and are delaying spot purchases. Whey prices are unsettled, but generally steady. Drying schedules are reflecting increases in cheese production schedules. Stocks remain tight at some operations while others are having problems in clearing current production. The WPC market is steady to weak. Current activity is light and product availability ranges from short to fully adequate. Some feed buyers are trying to delay deliveries due to recent CCC animal feed NDM sellback. Production is steady to lower, in part due to increased production of 80% product. Lactose prices are unchanged to lower. Contracts for the current quarter are limiting spot availability. Demand is good from domestic feed and candy ingredient buyers.

CCC: During the holiday abbreviated week of October 8 - 12, there were 2,826,220 pounds of Western NDM purchased under the price support program.

MAY MAILBOX MILK PRICES (DAIRY PROGRAMS):
 In May 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.29 per cwt., \$1.00 more than the figure for the previous month. On an individual reporting area basis, mailbox prices increased in all areas and ranged from \$17.69 in Florida to \$14.19 in Idaho. In May 2000, the Federal milk order all-market average mailbox price was \$11.84, \$3.45 lower.

****SPECIALS THIS ISSUE****

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CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY OCTOBER 8	TUESDAY OCTOBER 9	WEDNESDAY OCTOBER 10	THURSDAY OCTOBER 11	FRIDAY OCTOBER 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.4650 (-.0200)	\$1.3950 (-.0700)	\$1.3350 (-.0600)	\$1.2800 (-.0550)	\$1.2425 (-.0375)	-.2425	\$1.3435 (-.2420)
40# BLOCKS	\$1.4800 (-.0200)	\$1.4300 (-.0500)	\$1.3500 (-.0800)	\$1.3150 (-.0350)	\$1.2700 (-.0450)	-.2300	\$1.3690 (-.2430)
BUTTER							
GRADE AA	\$1.5000 (N.C.)	----	\$1.5000 (N.C.)	----	\$1.4500 (-.0500)	-.0500	\$1.4833 (-.1634)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.9900 and Grade A price is \$1.0000. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, OCTOBER 8, 2001

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.4950, 1 @ \$1.4850; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$1.4650, 1 @ \$1.4825, 3 @ \$1.4850; 11 CARS 40# BLOCKS: 1 @ \$1.4800, 1 @ \$1.4825, 1 @ \$1.4850, 1 @ \$1.4875, 1 @ \$1.4900, 1 @ \$1.4925, 1 @ \$1.4950, 1 @ \$1.4975, 3 @ \$1.5000

BUTTER -- SALES: NONE; BIDS UNFILLED: 2 CARS @ \$1.2500; OFFERS UNCOVERED: 2 CARS @ \$1.5100

TUESDAY, OCTOBER 9, 2001

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.4500, 1 @ \$1.4450, 1 @ \$1.4425, 1 @ \$1.4350, 1 @ \$1.4300; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.3950, 2 @ \$1.4650; 9 CARS 40# BLOCKS: 1 @ \$1.4350, 1 @ \$1.4400, 1 @ \$1.4500, 6 @ \$1.4800

WEDNESDAY, OCTOBER 10, 2001

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$1.3350, 1 @ \$1.3700, 1 @ \$1.3900, 2 @ \$1.3950; 7 CARS 40# BLOCKS: 2 @ \$1.3500, 1 @ \$1.3700, 1 @ \$1.4000, 3 @ \$1.4300

BUTTER -- SALES: 22 CARS: 1 @ \$1.4750, 8 @ \$1.4000, 5 @ \$1.4125, 1 @ \$1.4400, 1 @ \$1.4425, 1 @ \$1.4450, 1 @ \$1.4475, 1 @ \$1.4900, 1 @ \$1.4925, 1 @ \$1.4900, 1 @ \$1.5000; BIDS UNFILLED: 3 CARS: 1 @ \$1.4925, 1 @ \$1.4725, 1 @ \$1.4700; OFFERS UNCOVERED: NONE

THURSDAY, OCTOBER 11, 2001

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.3200, 1 @ \$1.2800; 7 CARS 40# BLOCKS @ \$1.3150; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.2800, 5 @ \$1.2900; 7 CARS 40# BLOCKS: 1 @ \$1.3150, 1 @ \$1.3200, 1 @ \$1.3450, 4 @ \$1.3500

FRIDAY, OCTOBER 12, 2001

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.2650, 1 @ \$1.2600, 1 @ \$1.2650, 1 @ \$1.2700, 1 @ \$1.2600; 6 CARS 40# BLOCKS: 1 @ \$1.3050, 1 @ \$1.3000, 1 @ \$1.2950, 2 @ \$1.2900, 1 @ \$1.2925; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.2425, 3 @ \$1.2500, 1 @ \$1.2700, 1 @ \$1.2800; 14 CARS 40# BLOCKS: 1 @ \$1.2700, 1 @ \$1.2850, 1 @ \$1.2900, 2 @ \$1.2950, 4 @ \$1.3000, 1 @ \$1.3050, 4 @ \$1.3150

BUTTER -- SALES: 8 CARS: 1 @ \$1.4500, 2 @ \$1.4475, 1 @ \$1.4500, 1 @ \$1.4600, 1 @ \$1.4650, 1 @ \$1.4700, 1 @ \$1.4500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 14 CARS: 1 @ \$1.4525, 1 @ \$1.4550, 1 @ \$1.4575, 1 @ \$1.4600, 1 @ \$1.4625, 1 @ \$1.4650, 1 @ \$1.4800, 1 @ \$1.4850, 1 @ \$1.4875, 1 @ \$1.4900, 2 @ \$1.4975, 1 @ \$1.5000, 1 @ \$1.6000

BUTTER MARKETS

AUGUST BUTTER PRODUCTION

During August 2001, butter production in the United States totaled 76.5 million pounds, 8.5% less than August 2000 and 4.2% less than July 2001. Year to date production is down 7.8% when compared to the first eight months of 2000. The following are percentage changes from August 2000 for various states: CA -2.3%, NY -5.2%, PA -11.1%, and WI + 14.8%.

NORTHEAST

The market tone remains weak. Last week (10/1-5), the CME cash price for butter fell 25 cents. Despite the relatively inactive cash market on 10/8, some people/contacts are waiting to see what the last two trading session of the week do before they make purchasing or selling decisions. Churning activity is moderate to heavy in the East, but a few producers are clearing only their own cream. The attitude is, "why make butter today that will carry a lower price tomorrow?" However, if prices level off, some producers will show more of an inclination to make butter. Cream volumes are still heavy and multiples paid for excess cream are still low and generally based on the market, date-of-delivery. This continues to indicate that butter makers feel that butter prices may continue to decline. Overall, demand for butter is lackluster. Retail sales are still slow. Retail prices are slow to react to the recent drops in the cash/wholesale prices. Food service orders are about steady. The restaurant trade is slowly starting to recover. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 - 8.0 cents over the CME price/average.

CENTRAL

Butter markets remain weak as the cash price continues to decline at the CME. Producers and handlers are wondering if the mid week level of \$1.50 can or will hold. Some are still of the opinion that wherever the price settles, some firmness will occur in the cash market before year end. Stocks of butter vary. Some producers and handlers are comfortable with inventories and projected production

while others continue to take full advantage of cream and butter offerings. Churning schedules across the Midwest are seasonally active. Many were able to take advantage of recent cream offerings at favorable prices. Often, buyers are in a position to name the terms of cream purchases. Butter demand remains fair at best. As is typical in a declining market, sales/orders are low until stability returns to the market. Although the cash price has held through two subsequent trading sessions, buyers are still somewhat hesitant about placing too large of orders. Retailers continue to schedule features during the upcoming holiday period, but at what price is the question. Food service orders are gaining some momentum, but overall orders are lighter. When available, bulk butter for spot sale is selling in a price range of 3 - 5 cents per pound over various pricing basis.

WEST

Bulk butter sales are very slow in the region and also to other regions. Print orders are continuing to move good volumes of butter. Prices have fallen 72.5 cents on the CME cash market since the first of September. Contacts are wondering how much of this decline will be passed on at the retail level. They believe the timing is still good to put together some features for the holiday season if stores will work with them. Food service activity remains slow. Cream sales are a problem throughout the region. No one wants to look at purchasing cream on a market that is falling this fast. Eventually most of the cream is ending up in a churn somewhere. Butter production in August for the Western region was 36.4 million pounds, down 6.1% from a year earlier. For comparison, US output was 76.5 million pounds, down 8.5% from last year. Cumulative output for the first eight months of the year totals 799.8 million pounds, down 7.8% from the same period in 2000. The CME weekly butter inventory declined by 1.93 million pounds and now stand at 43.8 million pounds. Current prices for bulk butter range from 8 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
OCT. 6	1.7087 6,614,229	1.6714 8,993,531	0.9483 17,768,782	1.7296 3,623,157	0.2821 7,784,937	2.3492 1,449,570	2.3025 3,701,385

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are moderate to sharply lower on cheddar and process items, unchanged on Swiss. The market tone is weak. Buyers and distributors are trying to keep inventories as current as possible. Overall demand for cheese has been slower since the events of September 11 and some Eastern cheese makers have adjusted their production schedules lower to keep from building inventories. Sales of some cheeses (mozzarella and process) are holding up quite well. Food service orders are picking up as lifestyles are getting back to near-normal levels and dining out is picking up slightly. However, this week's U.S. response to the terrorism is cause for concern and people may continue to stay home. Cheese stocks are readily available either from local or Midwestern sources. Retail demand is just fair. Store prices haven't reacted to the recent declines recorded at the CME. Through October 8, barrel and 40# block prices have dropped roughly 22-24 cents, respectively since September 21.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6575-2.1275
Cheddar Single Daisies	:	1.6150-2.0750
Cheddar 40# Block	:	1.7525-1.9350
Process 5# Loaf	:	1.7975-1.9575
Process 5# Sliced	:	1.8175-2.0750
Muenster	:	1.8175-2.0250
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is weak. Recent price declines on the Chicago Mercantile Exchange cash cheese market (totaling nearly 30 cents in 3 weeks) are impacting orders as some buyers delay purchases in the hope of additional weakness. Most firms report that their mid to upper end food service accounts seem to be the source of the weakest demand. Buyers are all wary about inventory and purchases made are for immediate needs. The airline segment of the food service market is noticeably slower. Fast food accounts are holding fairly steady. Plant inventories are accumulating as buyers delay or limit bulk cheese purchases. Cheddar block and mozzarella inventories are growing. Retail sales of both natural and processed items have not seen the impact like food service. Cheese production is steady to lower. Cheese yields continue to improve seasonally.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.8050-2.1000
Brick And/Or Muenster 5#	:	2.0900-2.2025
Cheddar 40# Block	:	2.0225-2.1150
Monterey Jack 10#	:	2.1150-2.2800
Blue 5#	:	2.3525-2.7400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0850-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.4550-2.6900

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	OCTOBER 8 - 12, 2001
BARRELS*	:	\$1.3500 - 1.5950 (NOMINAL)
	:	(-\$.2475) (-.0525)
40# BLOCKS	:	\$1.4000 - 1.6125 (NOMINAL)
	:	(-\$.2850) (-.1150)

() Change from previous week. * If steel, barrel returned.

WEST

Process and natural cheese prices moved sharply lower this week following trading at the CME. Losses are expected for next week also. Buyers are waiting for the market to put in some kind of a plateau before they will consider making many additional purchases. Block prices at the CME have fallen 37.5 cents in less than three weeks. Sellers, however, don't believe that end user stocks are all that heavy. They think that buyers were operating on short inventories because of the relatively high overall price level. Therefore, they think buyers will have to reenter the market in a relatively short period of time. August American cheese production for the US totals 286.8 million pounds, down 1.7% from last year. Of this total, the Western region produced 139.6 million pounds, up 9.3% from last year. Output for selected Western states compared to last year is as follows: California +15.7%, Idaho -2.4%, Oregon +12.1%, and Utah +10.2%. August US Swiss cheese production totals 20.1 million pounds, up 5.8% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7375-1.9975
Cheddar 40# Block	:	1.7325-1.8950
Cheddar 10# Cuts	:	1.9125-2.1325
Monterey Jack 10#	:	1.9225-2.0825
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5800

FOREIGN TYPE

Prices for domestically made cheese dropped nearly ten cents this week as the U.S. cash cheese market weakens. Demand for imported and foreign-type cheese is fair. Typically, demand does improve in the fall. Food service needs have been down since September 11, but a few signs of "things" getting back to normal have been noted. As the U.S. market prices drop, the demand for imported processing solids is easing unless prices remain competitive.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.9600-3.4550*
Gorgonzola	: 3.2400-5.9400	: 2.4600-2.5175*
Parmesan (Italy)	: TFEWR	: 3.3750-3.4300*
Romano (Italy)	: 2.1000-2.9900	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.9675-2.1875*
Romano (Cows Milk)	: -0-	: 3.1500-5.3275*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7500-3.5900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-2.9500	: -0-
Gouda, Large	: 2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE		
10/08/01	28,083	: 120,488
10/01/01	29,328	: 125,498
CHANGE	-1,245	: -5,010
% CHANGE	-4	: -4

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	96	0	59	0	102	0
SOUTHEAST STATES	127	0	127	0	99	0

Milk production is easing higher in most sections of the East. Fat and protein levels in the incoming milk are increasing and getting back to "normal" levels. The first "killing frost" hit most of the region from the Middle Atlantic area north. Silage and grain harvests are in full swing. Fluid milk supplies are long and manufacturing plants are often operating on increased schedules. Surplus milk volumes in the Southeast remain light and plant schedules are often limited to weekend operations. Bottled milk sales are fair to good. Some retail features on low fat milk are in progress. Unfortunately, this does create more cream to clear at a time when cream is burdensome. Milk shipments into Florida jumped this week. Reports indicate that milk production is little changed and demand has improved. The need for milk in the other Southeastern states is unchanged from last week and milk import figures are steady. The condensed skim market is generally unchanged. However, following the down turn in the CME cash markets for butter and cheese, many suppliers have lowered their estimate for October Class III skim and have adjusted their Class III condensed skim price. However, this week's price range is unchanged. The Class II condensed skim prices are about steady. Demand is a little better now that prices are easing lower, but NDM is still available at less than a \$1.00 per pound. The fluid cream market remains weak. Offerings are burdensome and demand is only occasionally improved. Butter makers continue to receive offers to sell and many are taking advantage of this surge in offerings. The paying prices are "all over the board" and ranging from flat market to 115 delivered, date of delivery. Some new interest from cream cheese makers has been noted since the CME price for butter did not change on October 8. Other buyers are waiting to see what changes, if any, will take place at the CME on the tenth and/or twelfth before placing more orders. Ice cream production is slow to fair. Some operations were down over the Columbus Day holiday weekend and were getting back on line at midweek. Churning activity is moderate to heavy and some local producers are being selective about the volumes of cream they purchase. Most do not want too much uncommitted butter in their coolers/freezers.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.9760-2.2395
DELIVERED EQUIVALENT ATLANTA	-	1.8937-2.1572 M 1.9760-2.1407
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.8937-2.1242

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0700-1.1100
NORTHEAST- CLASS III - SPOT PRICES	- 1.0000-1.1800

M I D W E S T

Class I demand was showing some of the usually stronger first of the month retail activity, depending on the market. Fluid shipments into the Central and South sections of the country are steady to lighter, generally lighter as many deals only ran through September and local supplies are in better balance with demand in those areas. The decline in the out of area shipments has increased the volume of milk available for manufacturing. Manufacturing milk interest is slower, at least for spot loads, as the cash cheese and butter prices have declined sharply

in recent weeks while milk prices moved higher. The volume of manufacturing milk offerings is also increasing. Spot manufacturing milk prices tumbled from the \$2.50 – 2.75 over class area over the weekend to \$1.50 to \$2.00 by midweek. The net on the some of the \$2.00 loads is only about 50 cents after the hauling is deducted. Cream demand remains light and prices are nominal due to the recent sharp declines in the Chicago Mercantile Exchange cash butter averages. The slowdown in cream interest is causing larger volumes to back into churns. Reported condensed skim prices range from \$1.06 – 1.15 with Class III prices often higher than Class II. Spot condensed demand is softer than recent weeks. Milk intakes were slightly higher in the Central section of the region. Milk intakes in the upper tier of states are uneven, but generally steady to slightly lower. A killing frost last weekend through much of the upper tier of states ended the growing season and is helping with the crop dry down. The fall harvest is well underway with soybeans and shell corn being harvested. Depending on location, the frost was early or on time but may reduce yields as well as the quality of weather delayed planted crops. A number of farmers were making a late hay/haylage harvest in order to have some better quality feed available than the lesser quality first crop.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCTOBER 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 41.00	\$ 34.00- 40.00
REPLACEMENT HEIFER CALVES	\$420.00-600.00	\$310.00-390.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCTOBER 4 - 10	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 45.50	\$ 32.50- 42.75

W E S T

Weather conditions over much of the state of California have improved and milk production has rebounded slightly. Fluid milk orders are mostly steady. Some declines are noticed from food service accounts. Surplus milk volumes are up slightly and manufacturing plant schedules are up accordingly. Alfalfa prices within the state are little changed from past weeks. New Mexico milk production is showing about the same patterns as the last week or two. Western cream markets are highly unsettled, generally weak. Multiples are in a very wide range (100 to 125, FOB) this week, affected by declining butter prices at the CME. In California, higher fat prices in the state order formulas are placing cream at a competitive disadvantage to move out of state. There have been instances of suppliers discounting cream prices to clear supplies. Fall like weather conditions are now common over much of the Pacific Northwest region. Much of the corn has now been cut for silage and feed rations are being modified for winter conditions. Hay quality continues to deteriorate on quite a bit that is being delivered. Many producers are noting an adverse impact on their milk flow because of the hay. They are trying to modify rations to make up the difference with only limited success. Prices for hay remain high. Continued expansion plans are fueling the demand for heifers. Offerings of heifers are lower and prices are often sharply higher. Manufacturing plants indicate that it is very hard to move cream at this time. The butter price has fallen so far so fast (72.5 cents in less than six weeks) that buyers are very hesitant to own any additional cream or butter. Frost was common over quite a bit of northern Utah and southern Idaho this week, effectively ending the growing season. Milk production ranges from steady to slightly lower. The solids content on milk receipts is coming up seasonally. Milk producers continue to try and fill expanded facilities with heifers, which is keeping prices high and often forcing them higher. Contacts are wondering if demand will slow this fall as the milk price declines.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 10/11/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices remain unchanged and nominal on a steady market. Fluid milk movement into bottling facilities is lower, encouraging higher milk intakes into some NDM facilities. Production is therefore generally higher than the week prior. However, buyers continue to seek competitively priced product from the West. High heat production is steady for contractual shipments. Production of human food, nonfat dry milk during August 2001 totaled 95.7 million pounds, down 9.1% from August 2000 and 18.3% below July 2001. Month ending stocks, at 126.6 million pounds, are 29.3% below a year ago and 13.9% lower than July 2001.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9600 - 1.0275 MOSTLY: .9600 - 1.0275

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a mostly steady market. Excess cream supplies are clearing into churns, encouraging buttermilk production. Less cream is moving into ice cream. Consequently, buttermilk dryer schedules are increasing. Prices are not being affected by changes in supply with most offering prices reported around the average. Demand is light to fair with most purchases being made as needed in anticipation of lower prices. Dry buttermilk production during August 2001 totaled 2.3 million pounds, down 31.8% from August 2000 and 18.8% lower than July 2001. Month ending stocks, at 4.0 million pounds, are 18.0% above last year yet 12.4% lower than last month.

BUTTERMILK: 1.0500 - 1.1150

DRY WHEY - CENTRAL

Prices are unchanged to lower on a steady to weak market. Supplies remain mixed with some plants unable to satisfy current commitments while others are finding spot movement a challenge due to price resistance from all sectors of the market. Resale supplies from feed end-users are available at a discount. Feed buyers are also working to divert contracted loads through the remainder of the year. Export demand is light. Production is mostly steady with increases in acidic whey output noted in response to holiday cream cheese output. Production of human food, dry whey during August 2001 totaled 85.2 million pounds, 7.3% less than August 2000 and 7.0% below July 2001. Month ending stocks, at 30.3 million pounds, are 30.4% below a year ago and 14.8% less than July 2001.

NONHYGROSCOPIC: .2850 - .2950 MOSTLY: .2900 - .2950

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a generally steady market. Milk replacer supplies are available for the light to fair demand. Some buyers are expressing price resistance in anticipation of lower markets. Roller ground movement and production remain unchanged. Delactose supplies are short of demand and are not being impacted by sales of CCC NDM. Production of animal feed dry whey during August 2001 totaled 5.2 million pounds, 29.8% lower than a year ago and 29.9% less than July 2001. Month ending stocks, at 4.4 million pounds, are 58.0% below a year ago and 16.7% lower than last month.

MILK REPLACER: .2300 - .2675

ROLLER GROUND: .2750 - .3000

DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to firm market. The price range narrowed in response to fourth quarter contractual adjustments. Most plants are well contracted for the fourth quarter and are unable to satisfy spot interest, especially into the export market. Some buyers are expressing concern as to the availability of lactose in 2002. Demand is good into domestic feed and candy facilities. Production is unchanged. Off grade and permeate supplies are reportedly tight. Lactose production during August 2001 totaled 45.6 million pounds, up 5.2% from August 2000 but 2.3% below July 2001. Month ending stocks, at 22.2 million pounds, are 22.7% lower than a year ago and 21.2% below last month. Production totals for selected regions with changes from 2000 include: East North Central, 8.6 million pounds, N.A.; West North Central, 13.3 million pounds, -3.6%; West, 21.4 million pounds, +7.6%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2000 - .2375 MOSTLY: .2050 - .2300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to weak market. Trading is light and supplies are mixed. Some producers are short on stocks while others are holding loads to clear. Offering prices at 2-3 cents under the average are being met with resistance. Premium prices are being reported into food accounts while traders gain light spot activity at the bottom of the range. Feed buyers are seeking a delay in contractual load shipments to defer an excess of protein stocks after receiving CCC NDM awards. The CCC is currently offering 4,976,281 pounds of NDM with offers due on 10/15/01 and a public release on 10/18/01. Production is mostly steady to sometimes lower as more condensed WPC is diverted into higher 80% and WPI production schedules. Condensed WPC is tight for the good demand. Production of human food WPC during August 2001 totaled 24.2 million pounds, up 4.0% from August 2000 but 1.7% below July 2001. Manufacturers end-of-month stocks totaled 13.6 million pounds, 1.2% lower than a year ago and 8.7% below last month. Production totals for selected states with changes from 2000 include: California, 8.7 million pounds, +27.3%; Minnesota, 3.9 million pounds, +0.7%; and Wisconsin, 4.2 million pounds, +3.3%.

EXTRA GRADE 34% PROTEIN: .7000 - .7950 MOSTLY: .7650 - .7825

NONFAT DRY MILK - WEST

Low/medium heat NDM prices are lower on the bottom end of the range, reflecting sales made to the CCC this week. The market tone is unsettled. Milk production is steady to higher within the region and there is no clear direction (butter/powder or cheese) for the best place to move the surplus milk. Plants want to keep their inventories as current as possible. Demand is fair and most buyers have little or no difficulty finding the volumes they need. U.S. NDM production in August totaled 95.7 million pounds, down 9.1% from last year and 18.3% lower than July. August production in the West region totaled 83.8 million pounds, up 1.9% from last year. California totaled 53.8 million pounds, up 6.8% from last year. U.S. stocks at the end of August were reported at 126.6 million pounds, down 29.3% from last year and down 13.9% from last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8950 - 1.0250 MOSTLY: .9300 - .9600

HIGH HEAT: .9700 - 1.0400

DRY BUTTERMILK - WEST

Pricing levels for dry buttermilk are fully steady in the West. The undertone is somewhat unsettled as butter production and drying of buttermilk increase. Lower butter prices have created a situation where cream demand is limited and more cream is being made into butter. Demand is seasonally fair and spot offerings are limited. Some buyers are still waiting to get loads that were promised a while ago. Stock levels are light, but are beginning to build at some locations. U.S. dry buttermilk production in August totaled 2.3 million pounds, down 31.8% from last year and 18.8% lower than July. Stocks at the end of August were reported at 4.0 million pounds, up 18.0% from a year earlier but 12.4% below July.

BUTTERMILK: 1.0300 - 1.0750 MOSTLY: 1.0400 - 1.0500

DRY WHEY - WEST

Prices are steady for Western whey powder this week. Domestic buying activity is rated as fair to good. Demand is beginning to pick up from those users that need powder for fall related products. New export sales are few and far between. US powder is on the expensive side and Pacific Rim countries are having monetary difficulties. Inventories are generally in good shape. US August human whey production totals 85.2 million pounds, down 7.3% from August of last year. Production in the West is 29.3 million pounds, down 3.8% from last year. Whey stocks at the end of the month total 30.3 million pounds, down 30.4% from last year. Cumulative output for total dry whey production is down 6.2% for the year to date.

NONHYGROSCOPIC: .2600 - .2975 MOSTLY: .2675 - .2800

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
October 5	\$.9399	10,003,774
September 28	\$.9444	10,770,578

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and remain nominal in the Northeast. Drying schedules are up slightly due to more surplus milk being available and occasionally slower sales of condensed skim. Plant stocks are closely balanced to limited. Some producers are still trying to catch up with orders. Demand is up slightly as prices for NDM are often lower than wet solids prices. Those users that do switch back and forth between the two products are again leaning toward powder. Production of human food, nonfat dry milk during August 2001 totaled 95.7 million pounds, down 9.1% from August 2000 and 18.3% below July 2001. Month ending stocks, at 126.6 million pounds, are 29.3% below a year ago and 13.9% less than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9675 - 1.0050 MOSTLY: .9700 - .9775
HIGH HEAT: 1.0000 - 1.0250 MOSTLY: 1.0050 - 1.0200

DELVD SOUTHEAST:

ALL HEATS: .9900 - 1.0600

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Production levels are up slightly as churning activity is on the rise. Sales of liquid/condensed buttermilk is holding up rather well and keeping drying to a minimum. Plant stocks are light and demand for dry buttermilk is fair. Dry buttermilk production during August 2001 totaled 2.3 million pounds, down 31.8% from August 2000 and 18.8% less than July 2001. Month ending stocks, at 4.0 million pounds, are 18.0% more than last year but 12.4% less than a month ago.

F.O.B. NORTHEAST: 1.0400 - 1.0600

DELVD SOUTHEAST: 1.0650 - 1.0950

DRY WHOLE MILK - NATIONAL

Prices are steady to mostly lower. The lower prices reflect the recent sharp declines in the CME butter price. The market tone is little changed. Prices remain nominal as few spot sales are being reported at the producers level. Production is often limited to meeting contract shipping schedules. Demand is just fair, at best. Dry whole milk production during August 2001 totaled 3.5 million pounds, down 55.9% from August 2000 but 15.6% above July 2001. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.3800 - 1.5325

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH OCTOBER 5, 2001
WITH CHANGES FROM PREVIOUS REPORT

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged and nominal. The market tone is mixed, but "leaning" towards improvement. Eastern producers are, for the most part, sold out and have little product to offer on the spot market. Traders, however, note that some buyers are making more inquiries for purchases. This improved interest is encouraging although most inquiries seem to be for short-term needs. Some good quality animal feed whey is clearing, but offerings of "lesser quality" product are going unsold. Production of human food, dry whey during August 2001 totaled 85.2 million pounds, 7.3% less than August 2000 and 7.0% below July 2001. Month ending stocks, at 30.3 million pounds, are 30.4% below last year and 14.8% less than a month ago. Production of animal feed, dry whey during August totaled 5.2 million pounds, 29.8% less than a year ago and 29.9% below last month.

F.O.B. NORTHEAST: EXTRA GRADE .2950 - .3000
USPH GRADE A .2900 - .3100

DELVD SOUTHEAST: .3175 - .3300

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. The market remains highly competitive and demand is starting to pick up for anticipated fall/winter needs. Production levels are steady to slightly heavier where more surplus milk is available. Canned evaporated milk production during August 2001 totaled 41.3 million pounds, 14.1% more than August 2000 and 9.5% more than July 2001. Month ending stocks, at 79.5 million pounds, are 21.8% more than a year ago and 1.7% above last month. The Kansas City Commodity office announced the award contracts for evaporated milk under EVD-1, invitation 690 for delivery November - December 2001. The award is for 2,643,840 pounds at prices ranging \$0.4350-\$0.4850 per pound.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein prices are steady to slightly lower as fourth quarter prices are released. For the most part, domestic buyers are getting what they need under contract, but spot availability is limited. Production in Europe is winding down, although a late season surge in milk production is providing additional volumes of milk. Some casein producers are taking advantage of the additional offerings while others are holding steady with their production plans. In the Oceania region, milk production continues to increase and as projected, casein production is building seasonally.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4000 - 2.7300
ACID: 2.4500 - 2.6500

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	09/26	09/27	09/28	10/01	10/02	10/03	10/04	10/05	10/08	10/09
CME - (CLASS III) MILK FUTURES -- Dollars per cwt.										
SEP 01	15.86 (3195) 44	15.89 (3193) 3	15.89 (3193) 0	15.89 (3191) 8	15.89 (3193) 2	15.89 (3207) 1	15.89 (3088) 0	15.90		
OCT 01	14.85 (2858) 51	15.00 (2865) 94	15.02 (2868) 40	14.95 (2873) 49	14.80 (2874) 44	14.67 (2880) 49	14.43 (2892) 100	13.95 (2857) 122	13.69 (2847) 77	13.76 (2856) 258
NOV 01	13.75 (2218) 46	13.90 (2223) 37	13.85 (2234) 31	13.65 (2240) 43	13.40 (2275) 54	13.15 (2281) 116	12.65 (2279) 82	11.85 (2250) 113	11.70 (2258) 70	11.56 (2260) 196
DEC 01	12.85 (1864) 38	12.92 (1869) 15	12.95 (1872) 22	12.85 (1882) 41	12.55 (1906) 43	12.38 (1895) 97	11.90 (1900) 76	11.49 (1908) 56	11.70 (1905) 15	11.60 (1890) 47
JAN 02	12.17 (687) 1	12.20 (692) 8	12.21 (696) 4	12.16 (703) 24	12.12 (727) 36	12.02 (764) 101	11.78 (770) 94	11.55 (760) 38	11.54 (792) 56	11.53 (791) 21
FEB 02	11.85 (547) 2	11.89 (561) 0	11.88 (565) 7	11.80 (572) 18	11.75 (589) 34	11.66 (612) 73	11.50 (629) 40	11.50 (628) 17	11.45 (629) 12	11.45 (637) 10
MAR 02	11.85 (496) 0	11.89 (496) 0	11.89 (497) 3	11.85 (503) 9	11.83 (514) 18	11.78 (535) 51	11.64 (546) 27	11.64 (554) 15	11.65 (566) 19	11.66 (570) 16
APR 02	11.90 (346) 11	11.93 (346) 0	11.93 (348) 2	11.92 (355) 13	11.87 (371) 25	11.84 (413) 57	11.70 (422) 21	11.68 (424) 8	11.70 (441) 17	11.70 (454) 17
MAY 02	11.93 (302) 2	11.93 (305) 4	11.93 (311) 7	11.93 (317) 16	11.90 (324) 12	11.87 (357) 42	11.76 (367) 20	11.70 (378) 18	11.75 (386) 8	11.75 (393) 13
JUN 02	12.15 (278) 6	12.15 (278) 0	12.15 (278) 2	12.11 (284) 10	12.10 (303) 21	12.05 (324) 25	11.95 (330) 12	11.96 (333) 7	11.94 (340) 8	11.95 (348) 12
JUL 02	12.50 (110) 1	12.50 (110) 0	12.50 (111) 1	12.45 (117) 10	12.45 (120) 6	12.45 (128) 31	12.44 (131) 10	12.42 (139) 11	12.40 (150) 14	12.50 (149) 13
AUG 02	12.68 (94) 1	12.65 (95) 1	12.65 (96) 2	12.60 (98) 5	12.55 (98) 0	12.55 (113) 20	12.45 (113) 8	12.45 (118) 9	12.46 (132) 16	12.50 (133) 4
SEP 02	12.70 (59) 1	12.70 (59) 0	12.70 (60) 1	12.71 (65) 7	12.70 (65) 6	12.70 (80) 18	12.63 (90) 17	12.63 (97) 13	12.65 (111) 14	12.65 (113) 5
OCT 02	12.52 (57) 1	12.52 (58) 1	12.52 (59) 1	12.50 (61) 7	12.45 (61) 0	12.50 (77) 18	12.43 (78) 9	12.41 (82) 11	12.40 (96) 15	12.41 (96) 1

CME - CLASS IV MILK FUTURES - Dollars per cwt.

SEP 01	15.75 (285) 0	15.75 (285) 0	15.75 (285) 0	15.75 (285) 0	15.75 (285) 0	15.75 (285) 0	15.75 (262) 0	15.59		
OCT 01	14.15 (366) 5	13.90 (366) 0	13.90 (366) 0	13.90 (366) 0	13.90 (366) 0	13.80 (366) 0	13.80 (366) 0	13.80 (366) 0	13.80 (366) 0	13.25 (366) 0
NOV 01	14.25 (260) 0	14.00 (260) 0	13.75 (260) 0	13.65 (260) 1	13.65 (260) 8	13.48 (260) 0	13.48 (260) 0	13.48 (260) 0	13.48 (260) 0	13.48 (260) 0
DEC 01	13.45 (143) 0	13.45 (143) 0	13.45 (143) 0	13.45 (143) 0	13.45 (145) 4	13.28 (145) 0	13.10 (145) 0	13.10 (145) 0	13.10 (145) 0	13.10 (145) 0
JAN 02	12.65 (45) 1	12.68 (45) 3	12.68 (45) 0	12.68 (46) 7	12.75 (46) 0	12.75 (46) 0	12.75 (49) 3	12.50 (49) 0	12.50 (51) 2	12.50 (51) 0
FEB 02	12.60 (53) 0	12.60 (53) 0	12.60 (53) 0	12.60 (55) 2	12.60 (56) 1	12.60 (63) 7	12.60 (66) 3	12.60 (66) 0	12.60 (68) 2	12.60 (68) 0

CME - BUTTER FUTURES -- Cents per pound

OCT 01	181.00 (32) 0	176.00 (34) 3	174.00 (32) 2	172.00 (32) 0	172.00 (32) 0	170.00 (32) 0	168.00 (31) 2	163.00 (29) 2	146.00 (28) 4	145.50 (28) 3
DEC 01	172.00 (9) 0	171.00 (9) 0	170.00 (9) 0	170.00 (9) 0	169.00 (9) 0	166.00 (9) 0	163.75 (9) 0	161.50 (9) 0	161.50 (9) 0	157.00 (9) 0
MAR 02	150.00 (10) 1	150.00 (10) 0	150.00 (10) 0	150.00 (11) 1	150.00 (11) 0	150.00 (16) 6	149.50 (18) 4	144.50 (18) 1	134.50 (20) 2	139.50 (20) 0
MAY 02	152.00 (9) 0	152.00 (9) 0	152.00 (9) 0	152.00 (9) 0	152.00 (9) 0	152.00 (9) 2	151.00 (9) 0	149.00 (9) 0	149.00 (11) 3	145.00 (12) 1

CME - NONFAT DRY MILK FUTURES -- Cents per pound

SEP 01	95.00 (5) 0	95.00 (5) 0	95.00 (5) 0	95.00 (5) 0	95.00 (5) 0	95.00 (5) 0	95.00 (5) 0	94.97		
OCT 01	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0	93.85 (8) 0
NOV 01	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (6) 0	93.80 (7) 1
DEC 01	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0	93.75 (6) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered October 1 - 12, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production in Europe continues to decline seasonally, although reports indicate that a strong finish to the season is at hand in many countries. Due to the strong finish, milk volumes are readily available and some handlers are switching product make if possible. Up to this point, cheese demand and production was absorbing a large portion of available milk, although now some producers are switching back to butter/powder. A strong finish to the milk production season and overall slow sales thus far this year, are two factors leading to available stocks at this time. Producers and handlers indicate that international sales, and in instances, internal buyer interest, are very slow. Many traders do not feel that much recovery will occur for the balance of the calendar year, but hope for better orders for the first quarter of 2002. Overall, prices are declining and in instances, sharply lower. Some feel that skim milk powder prices might adjust below intervention levels when it was open. At this time, lower prices are doing little to stimulate buyer interest. Producers and handlers feel that recent world political situations are not leading the current weakening trend, but are factors that will contribute to further weakness and market inactivity. Some European traders indicate that consumption of fresh food products, including dairy, are lower. In some instances, buyers who had previously placed orders for delivery at this time are asking suppliers to delay these shipments.

BUTTER/BUTTEROIL: Butter markets are generally weaker. Prices are basically lower. European producers and handlers report that international buyer interest is very quiet with internal sales equally slow. Stocks of butter are sufficient for internal needs with some volumes available for international sales. Strong milk production, for this time of the year, along with lighter cheese demand, is pushing more milk into butter/powder output. Producers indicate that this late season switch in milk production will only further enhance inventories for a product that is not selling.

82% BUTTERFAT: 1,340 - 1,500

99% BUTTERFAT: 1,450 - 1,675

SKIM MILK POWDER (SMP): Skim milk powder markets are weak with prices generally lower. Producers, handlers and traders question how far prices will decline before some buyer interest once again develops. Some traders speculate that prices may dip below intervention price levels when it was open. Stocks of powder are adequate to meet some international buyer interest, but fully sufficient for internal needs. A late season strength in milk production is being handled by diverting milk away from cheese production and into butter/powder.

1.25% BUTTERFAT: 1,850 - 2,000

WHOLE MILK POWDER (WMP): European whole milk powder markets are weak with prices unchanged to generally lower. Stocks of powder are reported to be fully sufficient should buyer interest develop. Traders report that buyer interest is slow. Many feel that this sales inactivity will probably continue through the end of the calendar year with first quarter sales hopefully stronger.

26% BUTTERFAT: 1,850 - 1,950

SWEET WHEY POWDER: Whey powder markets are steady to weak as prices trend lower. Cheese production in Europe has been active due to strong demand, although recently, demand has dropped off. Due to lighter demand, milk is being diverted away from cheese production. Whey stocks are reported to be fully sufficient for potential buyer interest. A recent Japanese whey tender in the amount of nearly 2100 tons will be primarily filled from the Netherlands. A total of 1904 tons will be sourced from the Netherlands with nearly 200 tons from the U.S.

NONHYGROSCOPIC: 500 - 600

OVERVIEW: EASTERN EUROPE: Eastern Europe is also realizing a stronger than anticipated finish to the milk production season. Milk volumes are sufficient to maintain steady production schedules at many plants for this time of the year. Stocks of manufactured dairy products are reported to be available should buyer interest develop. Eastern European producers and handlers state that they are in an inventory position that they have not been in for quite some time, especially with out significant orders.

OCEANIA

OVERVIEW: Milk production patterns in the Oceania region continue to seasonally increase. In New Zealand, milk volumes are reported to be heavier than previous weeks. Producers and handlers are indicating that overall conditions are very favorable for early spring. Recent heavy rainfall has lightened the concern about limited soil moisture now and for the future. In Australia, the milk production season is just getting underway. There are limited reports on production patterns, but for the most part, reports indicate that milk volumes are seasonally increasing. At this point, producers and handlers in both countries have positive production projections for the season. Ongoing international sales are occurring, although no significant new interest is being reported. Some handlers and traders feel that various world situations ranging from political to economical may be impacting sales activity. Lack of buyer confidence in current markets is also limiting sales. Due to this uncertainty, some traders feel that prices might weaken to stimulate sales. As milk production continues to build in the Oceania region, thus is production of manufactured dairy products. At this point, producers and handlers are indicating that early season production is basically spoken for with product being immediately shipped or stored for future use. Cheese appears to be the product of strongest interest at this time. At the start of the current milk production season, stocks of manufactured dairy products were quite low, thus no significant volumes of surplus dairy products are being reported at this time.

BUTTER: Butter markets are basically steady, although prices are steady to slightly lower. Stocks of butter at the start of the current milk production season were low, thus new production is limited to meeting current needs. Producers and handlers refer to butter supplies as tight. As the new milk production season gets underway, some producers and handlers do not have a clear picture as to the direction the butter market will take, but for the time being, slow buyer interest is being filled.

82% BUTTERFAT: 1,300 - 1,400

CHEDDAR CHEESE: The overall Oceania cheese market is firm, although the price range declined on the low end. Production is reported to be strong for early spring. Milk production is increasing seasonally, thus is cheese production. Stocks are reported to be in close balance at this time, with no significant volumes uncommitted. Buyer interest is reported to be holding fairly active from regular and ongoing customers. Oceania producers and handlers feel that cheese demand will remain strong throughout the current production season.

39% MAXIMUM MOISTURE: 2,175 - 2,350

SKIM MILK POWDER (SMP): Oceania skim milk powder markets are unsettled. Prices are steady to lower with further declines possible. Oceania producers and handlers are closely watching what is happening in other areas of the world and realizing that prices are declining. Milk production is seasonally increasing, thus is butter/powder output. Stocks of powder are sufficient to meet current needs. At this time, international buyer interest is slow and unaggressive. Traders indicate that milk production in others areas of the world is building seasonally, thus additional dairy products will become available for an already slow buyer interest.

1.25% BUTTERFAT: 2,000 - 2,050

WHOLE MILK POWDER (WMP): Oceania whole milk powder markets are also unsettled. Prices are steady to generally lower. Milk production continues to build in the region with stocks of whole milk powder also being generated. Although overall buyer interest is slow, some regular and ongoing sales are being reported. Traders indicate that new buyer interest is slow and unaggressive. Oceania producers are closely watching dairy product markets in other areas of the world and anticipate that marketing and pricing strategies will probably need to be adjusted as the milk production season unfolds.

26% BUTTERFAT: 1,950 - 2,025

Exchange rates for selected foreign currencies: OCTOBER 8, 2001

.4176 Dutch Guilder	.4705 German Mark
.1403 French Franc	.4175 New Zealand Dollar
.1045 Mexican Peso	.5079 Australian Dollar
1.4737 British Pound	.0083 Japanese Yen
.2400 Polish Zloty	.9203 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1045)= 9.5694.
That is 1 US Dollar equals 9.5694 Mexican Pesos.

Source: "Wall Street Journal"

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, SEPTEMBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for October 2001 is \$2.4449 per pound. Thus, the Class II butterfat price is \$2.4519. The protein and other solids prices for September are \$2.1647 and \$0.1520 per pound, respectively. These component prices set the Class III skim milk price at \$7.61 per cwt. The September Class IV skim milk price is \$7.29 which is derived from the nonfat solids price of \$0.8097 per pound. **Product Price Averages:** The product price averages for September are; butter \$2.1198, nonfat dry milk \$0.9497, cheese \$1.7085, and dry whey \$0.2871.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	SEPTEMBER 2001				OCTOBER 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	18.81	16.24	15.90	15.59	19.18
Appalachian (Charlotte) 5/	005	18.66	16.24	15.90	15.59	19.03
Southeast (Atlanta) 6/	007	18.66	16.24	15.90	15.59	19.03
Florida (Tampa) 7/	006	19.56	16.24	15.90	15.59	19.93
Mideast (Cleveland) 8/	033	17.56	16.24	15.90	15.59	17.93
Upper Midwest (Chicago) 9/	030	17.36	16.24	15.90	15.59	17.73
Central (Kansas City) 10/	032	17.56	16.24	15.90	15.59	17.93
Southwest (Dallas) 11/	126	18.56	16.24	15.90	15.59	18.93
Arizona-Las Vegas (Phoenix) 12/	131	17.91	16.24	15.90	15.59	18.28
Western (Salt Lake City) 13/	135	17.46	16.24	15.90	15.59	17.83
Pacific Northwest (Seattle) 14/	124	17.46	16.24	15.90	15.59	17.83
All-Market Average	---	18.14	16.24	15.90	15.59	18.51

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other cities are: Portland, same; and Spokane, same.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, OCTOBER 2001, WITH COMPARISONS 1/												
CITY	OCT 1999			OCT 2000			SEP 2001			OCT 2001		
	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence
	Dollars Per Hundredweight											
Atlanta, GA	19.42	18.87	0.55	16.32	14.99	1.33	19.44	18.66	0.78	19.81	19.03	0.78
Baltimore, MD	19.57	18.82	0.75	16.24	14.89	1.35	20.01	18.56	1.45	20.38	18.93	1.45
Boston, MA *	19.51	19.03	0.48	15.62	15.14	0.48	20.41	18.81	1.60	20.78	19.18	1.60
Carbondale, IL	19.51	17.80	1.71	15.80	14.09	1.71	19.47	17.76	1.71	19.84	18.13	1.71
Charlotte, NC	19.42	18.87	0.55	16.32	14.99	1.33	19.44	18.66	0.78	19.81	19.03	0.78
Chicago, IL	19.08	17.19	1.89	15.54	13.69	1.85	19.33	17.36	1.97	19.62	17.73	1.89
Cincinnati, OH	19.60	17.90	1.70	15.97	14.09	1.88	19.58	17.76	1.82	19.96	18.13	1.83
Cleveland, OH	19.29	17.79	1.50	15.77	13.89	1.88	19.38	17.56	1.82	19.76	17.93	1.83
Dallas, TX	18.95	18.95	0.00	15.69	14.89	0.80	18.68	18.56	0.12	19.05	18.93	0.12
Denver, CO	20.84	18.52	2.32	15.14	14.44	0.70	18.81	18.11	0.70	19.18	18.48	0.70
Des Moines, IA	18.74	17.34	1.40	14.73	13.69	1.04	18.57	17.36	1.21	18.94	17.73	1.21
Detroit, MI	18.64	17.64	1.00	14.89	13.69	1.20	18.42	17.36	1.06	18.73	17.73	1.00
Hartford, CT *	19.41	18.93	0.48	15.52	15.04	0.48	20.31	18.71	1.60	20.68	19.08	1.60
Houston, TX	19.49	19.49	0.00	16.29	15.49	0.80	19.28	19.16	0.12	19.65	19.53	0.12
Indianapolis, IN	19.14	17.69	1.45	15.77	13.89	1.88	19.38	17.56	1.82	19.76	17.93	1.83
Kansas City, MO	18.61	17.71	0.90	15.08	13.89	1.19	18.52	17.56	0.96	18.89	17.93	0.96
Louisville, KY	18.60	17.90	0.70	15.24	14.09	1.15	18.76	17.76	1.00	19.13	18.13	1.00
Memphis, TN	18.81	18.56	0.25	15.62	14.69	0.93	18.94	18.36	0.58	19.31	18.73	0.58
Miami, FL	21.99	19.97	2.02	18.83	16.19	2.64	21.95	19.86	2.09	22.32	20.23	2.09
Milwaukee, WI	18.99	17.10	1.89	15.49	13.64	1.85	19.43	17.31	2.12	19.72	17.68	2.04
Minneapolis, MN	18.24	16.99	1.25	14.70	13.59	1.11	18.79	17.26	1.53	19.08	17.63	1.45
New Orleans, LA	19.69	19.44	0.25	16.47	15.49	0.98	19.59	19.16	0.43	19.96	19.53	0.43
Oklahoma City, OK	19.36	18.56	0.80	15.54	14.49	1.05	18.96	18.16	0.80	19.33	18.53	0.80
Omaha, NE	18.79	17.54	1.25	14.78	13.74	1.04	18.62	17.41	1.21	18.99	17.78	1.21
Philadelphia, PA	19.50	18.88	0.62	16.41	14.94	1.47	20.18	18.61	1.57	20.55	18.98	1.57
Phoenix, AZ	18.31	18.31	0.00	14.39	14.24	0.15	18.06	17.91	0.15	18.43	18.28	0.15
Pittsburgh, PA	18.19	17.79	0.40	15.79	13.99	1.80	19.56	17.66	1.90	19.93	18.03	1.90
St. Louis, MO	19.51	17.80	1.71	15.60	13.89	1.71	19.27	17.56	1.71	19.64	17.93	1.71
Salt Lake City, UT	18.29	17.69	0.60	14.04	13.79	0.25	17.71	17.46	0.25	18.13	17.83	0.30
Seattle, WA	18.07	17.69	0.38	14.88	13.79	1.09	17.84	17.46	0.38	18.21	17.83	0.38
Spokane, WA	18.07	17.69	0.38	14.88	13.79	1.09	17.84	17.46	0.38	18.21	17.83	0.38
Springfield, MO	18.78	17.98	0.80	15.14	14.09	1.05	18.56	17.76	0.80	18.93	18.13	0.80
Washington, DC	19.57	18.82	0.75	16.24	14.89	1.35	20.01	18.56	1.45	20.38	18.93	1.45
Simple Average	19.15	18.22	0.93	15.60	14.37	1.23	19.18	18.04	1.14	19.55	18.41	1.14

*NOTE: The Northeast Dairy Compact had established a Class I price level of \$16.94 for the period July 1997-September 2001. The Compact ceased operation on 9/30/01. The Compact obligation was \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level was the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference." When the Federal order Class I price shown for Boston was higher than the Compact Class I price, the Compact price was not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS
AND CALIFORNIA, MAY 2001, WITH COMPARISONS**

In May 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.29 per cwt., \$1.00 more than the figure for the previous month. On an individual reporting area basis, mailbox prices increased in all areas and ranged from \$17.69 in Florida to \$14.19 in Idaho. In May 2000, the Federal milk order all-market average mailbox price was \$11.84, \$3.45 lower.

Reporting Area	Mailbox Milk Price ^{2/}					
	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001
	<u>Dollars per hundredweight</u>					
Northeast Federal Milk Order	13.19	13.22	14.03	14.37	15.43	
Appalachian States ^{3/}	14.64	14.04	14.65	15.24	15.95	
Southeast States ^{4/}	14.99	14.23	14.79	15.33	16.10	
Florida	16.66	15.90	16.54	17.05	17.69	
Ohio	13.02	12.75	13.80	14.57	15.24	
Michigan	12.85	12.64	13.61	14.23	15.12	
Wisconsin	12.38	12.52	13.55	14.12	15.36	
Minnesota	12.33	12.57	13.45	14.03	15.33	
Illinois	12.37	12.35	13.16	13.73	15.04	
Northern Missouri ^{5/}	12.25	12.15	12.99	13.48	14.61	
Southern Missouri ^{6/}	13.56	12.94	13.69	14.11	15.03	
Corn Belt States ^{7/}	12.19	12.26	13.13	13.72	14.80	
Western Texas ^{8/}	13.12	12.76	13.70	14.17	15.00	
New Mexico	12.21	12.01	12.96	13.47	14.20	
Idaho	11.14	11.46	12.48	13.16	14.19	
Utah	11.37	11.44	12.54	13.05	14.26	
Northwest States ^{9/}	12.39	12.51	13.37	14.02	14.82	
All Federal Order Areas ^{10/}	12.97	12.91	13.79	14.29	15.29	
California ^{11/}	12.01	12.23	12.95	13.71	14.54	

^{1/} Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. ^{2/} Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. ^{3/} Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. ^{4/} Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. ^{5/} All counties to the north of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry. ^{6/} The counties listed in ^{5/} and all those to the south of these. ^{7/} Includes Iowa, Kansas, and Nebraska. ^{8/} All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. ^{9/} Includes Oregon and Washington. ^{10/} Weighted average of the information for all selected reporting areas in Federal milk orders. ^{11/} Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF OCTOBER 8 - 12, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 10/05/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	79,200	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	79,200	-0-	-0-
NONFAT DRY MILK							
Nonfortified	2,826,220	-0-	2,826,220	2,826,220	16,848,215	600,531,000	-0-
Fortified	-0-	-0-	-0-	-0-	925,748	38,227,000	-0-
TOTAL	2,826,220	-0-	2,826,220	2,826,220	17,773,963	638,758,000	-0-

Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF OCTOBER 8 - 12, 2001 =	0.6	32.9	COMPARABLE WEEK IN 2000 =	3.0	122.5
CUMULATIVE SINCE OCTOBER 1, 2001 =	0.6	32.9	CUMULATIVE SAME PERIOD LAST YEAR =	4.6	207.7
CUMULATIVE JANUARY 1 - OCTOBER 12, 2001 =	74.1	3,303.2	COMPARABLE CALENDAR YEAR 2000 =	165.3	5,286.7

* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
 **Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF OCTOBER 8 - 12, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	2,826,220	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	79,200	-0-	429,827	-0-	17.8
WEST	-0-	-0-	-0-	-0-	2,826,220	17,344,136	100.0	82.2
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0
TOTAL	-0-	-0-	-0-	79,200	2,826,220	17,773,963	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 09/22/01 & Comparable Week 2000

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2001-Dairy	0.2	0.8	5.0	5.1	17.0	2.8	0.6	1.0	12.0	2.7	47.3	43.8
2000-Dairy	0.2	1.0	6.1	4.4	21.5	2.4	0.9	0.8	11.2	2.4	51.0	46.1
2001-All cows	0.2	0.9	6.9	14.5	26.3	15.7	15.7	4.9	14.7	8.1	107.9	47.3
2000-All cows	0.2	1.2	8.3	13.6	30.2	17.2	13.8	4.3	13.4	5.4	107.8	48.7
											4,047.0	3,851.2

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93		
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24			
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90			
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59			

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm